ORIGINAL



TACNA WATER MANAGEMENT CO

2993 S ARIZONA AVENUE YUMA, AZ 85365 PH 928-341-9885 FAX 928-341-0180 50

July 10, 2006

Docket Control Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007

Re: Compliance to revision of tax info 2002, 2003, 2004. DOCKET NO. W-61344A-05-0183, and DOCKET NO. W-01344A-05-0647.

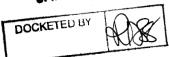
Attached are Federal form 1120-A U S-Corporation and State Arizona Corporation form 120A (Fed and State are stapled together) for 2002, 2003, and 2004. If you have any questions please call Don or Steve Kelland at 928-341-9885.

Sincerely

Don Kelland, President

Arizona Corporation Commission
DOCKETED

JAN 1 9 2007



2007 JAN 19 D 3: 57

2002 Corporate Return prepared for:

Tacna Water Management Company 2993 S. Arizona Avenue Yuma, AZ 85364

Misenhimer, Aivazian & Tennant, P.C. PO Box 5693 Yuma, AZ 85366-5693

Form 1120-A

Department of the Treasury Internal Revenue Service
U.S. Corporation Short-Form
Income Tax Return

	See	separate instructions to ma	ke sure the cor	poration qualifies to file	Form 1120-	A. I	RS use only — Do not v	vrite or sta	ple in this space.
For	calen	dar year 2002 or tax year be	ginning	, 2002, ending	,	20			OMB No. 1545-0890
Α	Check	this box						В	Employer ID number
		corporation Use IRS						I	20-5811082
	ıs a p vice c	ersonal ser- corporation label.	Tacna Wat	ter Management	Company			С	Date incorporated
	(as de	efined in	12773 3. 1	Arizona Āvenue					1/01/2002
		ations	Yuma, AZ	85364				D	Total assets (see instructions)
		on 1.441-3(c) — (ype.							
		(applicable boxes: (1)	X Initial retu	rn (2) Name cha	nge (3)	Add	dress change	\$	0.
		method of accounting: (1)	<u> </u>	(2) Accrual (3)		specify)(-	<u> Y</u>	· ·
<u></u>		a Gross receipts or sales		9. b Less returns & allowa		(specify)	c Balance	► 1 c	27,999.
	i i	· · · · · · · · · · · · · · · · · · ·					<u>-</u>	\longrightarrow	21,333.
		Cost of goods sold (see in							27,999.
ı	3	,						·	21,333.
Ŋ	5	•	•					·	
C	6							-	
M	_								
E	8								
	9								
	10				•			· 	
	11	Total income. Add lines 3	•						27,999.
	F 12								21,333.
D	13	•	•	•				·	
DED	14	• •		•				-	
U	1 15	•						—	
	16								
- 1 -	A 17								
U	T 18				\rightarrow				
	N 19	Charitable contributions (s	see instructions	for 10% limitation)				. 19	
:	S 20								
S E E	21							21 b	
-	22	Other deductions (attach s	schedule)		Se	.Stat	ement1	. 22	27,999.
	23	Total deductions. Add line	es 12 through 22	<u>)</u>				▶ 23	27,999.
٠Ť	24	Taxable income before ne	et operating loss	deduction & special de	eductions. Su	ubtract lii	ne 23 from line 11.	. 24	0.
R S	25	Less: a Net operating los	s deduction (se	e instructions)		25 a		_	
		b Special deduction	ns (see instructi	ons)		25 b		25 c	
_	26								0.
T A	27	Total tax (from page 2, Pa	art I, line 8)					. 27	0.
A X	28	Payments:							
۸		a 2001 overpayment credite	d to 2002 28	Ba					
A N	1	b 2002 estimated tax payme							
D	- 1	c Less 2002 refund applied for on I	<u></u>	3 c	dBal ► _	28 d	0	-↓	
Р	- 1	e Tax deposited with Form 7				28 e		_	
Ą		f Credit for tax paid on undi	-	-	· –	28f		-	
Y M		g Credit for Federal tax on f	-			28 g		-	
E		h Total payments. Add lines						28 h	0.
N T	29	' '	•					<u>29</u> 30	
Ġ	30			•				31	0.
	32					ount over	Refunded	. —	
		Under penalties of the right section	that have examine	d this return) including accome	anving schedule	es and state			wledge and belief, it is true.
Sig	n	Under penalties diperjuly declaration correct, and complete. Declaration	preparer (Apperth	paragraphic based on all inf	ormation of whic	h preparer	has any knowledge.		II IDC II I I I I I I I I I I I I I I I
He	re	Standard Continued to the Continued to t		> _	Presider	nt		with	the IRS discuss this return the preparer shown below
		Signature of officer		Date	Title			(see	instrs)? X Yes No
		Preparer's			Date		.,	Preparer's	SSN or PTIN
Paid	ŧ		ey B. Pol	ston		Check self-er	if nployed	P0054	7445
Pre	parer's		himer, Ai	vazian & Tennar	nt, P.C.		EIN	86-0	0920831
Use	Only	sentemployed).	x 5693						
		address and	AZ 85366	-5693			Phone no	. (928	3) 314-1488
BA	For	Paperwork Reduction Act N	~~~~						Form 1120-A (2002)

	m 1120-A (2002) Tacha Water Manage		20-3611062		
	rt I Tax Computation (see instruction			. []	
	Income tax. If the corporation is a qualified personal serv		i i		0.
2	a General business credit. Check box(es) and	indicate which forms a	re attached.		
	Form 3800 Form(s) (specify)		2a		
	b Credit for prior year minimum tax (attach For	m 8827)	2b		
_				3	
3					
4	Subtract line 3 from line 1	,			
5	<u> </u>				
	Other (attach schedule)			5	
6	Total tax. Add lines 4 and 5. Enter here and	on line 27, page 1		6	0.
	rt II Other Information (see instructi				
	Refer to the instructions and enter the:		a If an amount is entered on line 2, pa	ge 1, enter from wo	rksheet
-	B 1 12 1 2 2 2 2 1 0 0 0		in the instructions:	go i, olitor irom iro	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
			(1) Purchases		
			(2) Additional 263A costs		
4	c Product or service ► Water		(attach schedule)		
2	At the end of the toy year did any individual partnership	actata or truet	(3) Other costs (attach sch)		
. ~	At the end of the tax year, did any individual, partnership own, directly or indirectly, 50% or more of the corporation	on's voting stock?	If property is produced or acquired for resale	do the rules	
	(For rules of attribution, see Section 267(c).)		of section 263A apply to the corporation?	N/A	Yes No
	If 'Yes,' attach a schedule showing name an		At any time during the 2002 calendar year, did	the corporation have an	interest in
	,	~	or a signature or other authority over a financi.	al account (such as a ba <u>r</u>	k account,
	identifying number. See Statement		securities account, or other financial account)	in a foreign country?	Yes X No
3	•		If 'Yes,' the corporation may have to file Form	TD F 90-22.1	
	during the tax year ▶ \$	<u>None</u>	If 'Yes,' enter the name of the foreign country.		
	Enter total amount of cash distributions and	the book 7	and the second s		for the tax year
4	value of property distributions (other than ca		and its total assets at the end of the tax year I		
	during the tax year	None	If 'Yes,' the corporation is not required to com	. L.	
1578	rt III Balance Sheets per Books		(a) Beginning of ta	[50070000000]	End of tax year
	· · · · · · · · · · · · · · · · · · ·			A year (b)	End of tax year
	1 Cash				
	2a Trade notes and accounts receivable				
	b Less allowance for bad debts				
	3 Inventories		·	[0000000000]	
Α	4 U.S. government obligations				
A S	1				
A S S	4 U.S. government obligations				
A S S E T	4 U.S. government obligations.5 Tax-exempt securities (see instructions)				
A S S E T S	 4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 				
S S E T	 4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 				
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S S E T	 4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible abless accumulated depreciation, depletion 	assets n, and amortization			
S S E T	 4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible a b Less accumulated depreciation, depletion 10 Land (net of any amortization). 	assets n, and amortization			
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SSETS SHAR	4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible a b Less accumulated depreciation, depletio land (net of any amortization). 11 Other assets (attach schedule). 12 Total assets. 13 Accounts payable. 14 Other current liabilities (attach schedule). 15 Loans from shareholders.	assets n, and amortization			
SSETS SHAR	4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible a b Less accumulated depreciation, depletio land (net of any amortization). 11 Other assets (attach schedule). 12 Total assets. 13 Accounts payable. 14 Other current liabilities (attach schedule). 15 Loans from shareholders. 16 Mortgages, notes, bonds payable.	assets n, and amortization			
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SSETS SHAREHOLDER	4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible a b Less accumulated depreciation, depletion 10 Land (net of any amortization). 11 Other assets (attach schedule). 12 Total assets. 13 Accounts payable. 14 Other current liabilities (attach schedule). 15 Loans from shareholders. 16 Mortgages, notes, bonds payable. 17 Other liabilities (attach schedule). 18 Capital stock (preferred and common stock).	assets n, and amortization).			
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SSETS SHAREHOLDERS EQUITY 66:	4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible a b Less accumulated depreciation, depletion. 10 Land (net of any amortization). 11 Other assets (attach schedule). 12 Total assets. 13 Accounts payable. 14 Other current liabilities (attach schedule). 15 Loans from shareholders. 16 Mortgages, notes, bonds payable. 17 Other liabilities (attach schedule). 18 Capital stock (preferred and common storage). 19 Additional paid-in capital. 20 Retained earnings. 21 Adjustments to shareholders' equity (attach schedule). 22 Less cost of treasury stock. 23 Total liabilities and shareholders' equity.	assets n, and amortization ock) ach sch)	ith Income per Return	t included on	
SSETS SHAREHOLDERS EQUITY EL 1	4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible a bess accumulated depreciation, depletion 10 Land (net of any amortization). 11 Other assets (attach schedule). 12 Total assets. 13 Accounts payable. 14 Other current liabilities (attach schedule). 15 Loans from shareholders. 16 Mortgages, notes, bonds payable. 17 Other liabilities (attach schedule). 18 Capital stock (preferred and common stock). 19 Additional paid-in capital. 20 Retained earnings. 21 Adjustments to shareholders' equity (attach schedule). 22 Less cost of treasury stock. 23 Total liabilities and shareholders' equity. 24 Reconciliation of Income (Lo	assets n, and amortization ock) ach sch)	Tith Income per Return 6 Income recorded on books this year no	t included on	
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SSETS SHAREHOLDERS EQUITY EL 1	4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible a b Less accumulated depreciation, depletion 10 Land (net of any amortization). 11 Other assets (attach schedule). 12 Total assets. 13 Accounts payable. 14 Other current liabilities (attach schedule). 15 Loans from shareholders. 16 Mortgages, notes, bonds payable. 17 Other liabilities (attach schedule). 18 Capital stock (preferred and common stock). 19 Additional paid-in capital. 20 Retained earnings. 21 Adjustments to shareholders' equity (attach schedule). 22 Less cost of treasury stock. 23 Total liabilities and shareholders' equity. 24 Net income (loss) per books. 25 Federal income tax per books. 26 Excess of capital losses over capital gains.	assets n, and amortization ock) ach sch)	Fith Income per Return 6 Income recorded on books this year no this return (itemize) 7 Deductions on this return not charged	against book	
SSETS SHAREHOLDERS EQUITY II 1 2	4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible a b Less accumulated depreciation, depletion loand (net of any amortization). 11 Other assets (attach schedule). 12 Total assets. 13 Accounts payable. 14 Other current liabilities (attach schedule). 15 Loans from shareholders. 16 Mortgages, notes, bonds payable. 17 Other liabilities (attach schedule). 18 Capital stock (preferred and common storated and common storat	assets n, and amortization ock) ach sch)	ith Income per Return 6 Income recorded on books this year no this return (itemize).	against book	
SSETS SHAREHOLDERS EQUITY II 1 2 3	4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible a b Less accumulated depreciation, depletion. 10 Land (net of any amortization). 11 Other assets (attach schedule). 12 Total assets. 13 Accounts payable. 14 Other current liabilities (attach schedule). 15 Loans from shareholders. 16 Mortgages, notes, bonds payable. 17 Other liabilities (attach schedule). 18 Capital stock (preferred and common storated and common sto	assets n, and amortization ock) ach sch)	Fith Income per Return 6 Income recorded on books this year no this return (itemize) 7 Deductions on this return not charged	against book	
SSETS SHAREHOLDERS EQUITY II 1 2 3	4 U.S. government obligations. 5 Tax-exempt securities (see instructions) 6 Other current assets (attach schedule). 7 Loans to shareholders. 8 Mortgage and real estate loans. 9a Depreciable, depletable, and intangible a b Less accumulated depreciation, depletion 10 Land (net of any amortization). 11 Other assets (attach schedule). 12 Total assets. 13 Accounts payable. 14 Other current liabilities (attach schedule). 15 Loans from shareholders. 16 Mortgages, notes, bonds payable. 17 Other liabilities (attach schedule). 18 Capital stock (preferred and common stock). 19 Additional paid-in capital. 20 Retained earnings. 21 Adjustments to shareholders' equity (attach schedule). 22 Less cost of treasury stock. 23 Total liabilities and shareholders' equity. 24 Net income (loss) per books. 25 Federal income tax per books. 26 Excess of capital losses over capital gains.	assets n, and amortization ock) ach sch)	Fith Income per Return 6 Income recorded on books this year no this return (itemize) 7 Deductions on this return not charged	against book	

Form **4562**

Depreciation and Amortization (Including Information on Listed Property)

See separate instructions.
Attach to your tax return.

OMB No. 1545-0172

2002

Department of the Treasury Internal Revenue Service

	na Water Manageme:	nt Company)-5811082
	ess or activity to which this form relate							
For	rm 1120							
Pai	Election To Ex Note: If you have a	pense Certain any listed property	Tangible Property v, complete Part V before	Under Secti e you complete f	on 179 Part I.			
1	Maximum amount. See inst	ructions for a high	ner limit for certain busin	esses			1	\$24,000.
2	Total cost of section 179 pro	operty placed in s	ervice (see instructions).				2	
3	Threshold cost of section 17						_	\$200,000.
4	Reduction in limitation. Sub	tract line 3 from li	ne 2. If zero or less, ent	er -0	. <i>.</i>		4	
5	Dollar limitation for tax year separately, see instructions	. Subtract line 4 f	rom line 1. If zero or les	s, enter -0 If m	arried fili	ing	5	
6	(a) E	Description of property		(b) Cost (business	use only)	(c) Elected cos	st	
<u> </u>								
7	Listed property. Enter the a					<u> </u>		
8	Total elected cost of section	n 179 property. Ac	ld amounts in column (c), lines 6 and 7.			8	
9	Tentative deduction. Enter t	the smaller of line	5 or line 8				9	
10	Carryover of disallowed dec	luction from line 1	3 of your 2001 Form 456	52			10	
11	Business income limitation.	Enter the smaller	of business income (no	t less than zero)	or line 5	(see instrs)	11	
12	Section 179 expense deduc	tion. Add lines 9 a	and 10, but do not enter	more than line 1	1. <u></u>	<u></u>	12	
13	Carryover of disallowed dec	luction to 2003. A	dd lines 9 and 10, less li	ne 12	▶ 13			
Note	: Do not use Part II or Part I							
Pai	t II Special Depred	iation Allowa	nce and Other Dep	reciation (Do	not inclu	de listed propert	y.)	
14	Special depreciation allowatax year (see instructions).	nce for qualified p	roperty (other than lister	d property) place	ed in serv	ice during the	14	
15	Property subject to section						15	
	Other depreciation (includin						16	
Pai			include listed property.)					I
<u> </u>			Section			, , , , , , , , , , , , , , , , , , ,		
17	MACRS deductions for asse	ets placed in servi					17	
	If you are electing under se one or more general asset:	ction 168(i)(4) to g	group any assets placed	in service during	g the tax	year into		
,——			in Service During 2002 1				Syster	n
	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only — see instructions)	(d) Recovery period	(e) Conven	(f)		(g) Depreciation deduction
19 a	3-year property							
t	5-year property							
-	7-year property							
	10-year property							
	15-year property							
	20-year property				1		-	
_	25-year property			25 yrs		S/L		
	Residential rental		•	27.5 yrs	MM			
•	property			27.5 yrs	MM			
i	Nonresidential real			39 yrs	MM		~~	
	property			22 172	MM			
		Accete Discording	Service During 2002 Ta	v Voar Heine the			Suet	om
20-	Class life	- Waaria Lidred II	Service During 2002 Ta	is real Using the	Aiteilla	S/L		6111
	12-year			12 yrs		S/L		
				40 yrs	MM			
	: 40-year 1 IV Summary (see i	netructions\		40 ATS	1-11-1	1 3/L		<u> </u>
	***************************************					T	21	
21	Listed property. Enter amou	ancironi iine z&					41	

Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions.

Federal Statements

Page 1

Tacna Water Management Company

20-5811082

Statement 1 Form 1120-A, Line 22 **Other Deductions**

27,999. 27,999.

Statement 2 Form 1120-A, Part II, Question 2 50% or More Owners

Name : Donald W. Kelland ID Number : 526-44-5368 Percentage Owned : 100.00%

A	rizona Form	Arizona	Corporation income Tax Return (Snort	Form)		2002
	120A F	or taxable yea	ar beginning $1/01/2002$, and ending $12/31/2$.002 .		Check one
		Mail to: Arizo	na Department of Revenue, P.O. Box 29079, Phoenix AZ 8	5038-9079 Calen	dar ye	ar X Fiscal year
Busii	ness telephone number		Name		Feder	ral employer ID number (FEIN)
		Di	Tacna Water Management Company			-5811082
	8-341-9885	Please type	Number and street		AZ wi	thholding tax number
Busii (from	ness activity code numbe n federal Form 1120)	er or	2993 S. Arizona Avenue			
		print	City or town State ZIP coo	de	AZ tra	ansaction privilege tax number
22	1000		Yuma, AZ 85364			
(68)	Check box if: X	This is a firs	return Name change Address change	For DC	R use	only
Δ	is federal return t	filed on a con	solidated basis? Yes X No			
,,						
	if yes, list FEIN of col	mmon parent tror	n consolidated return			
			A Arizona consolidated return. Taxpayers cannot an Arizona consolidated return.			
	use rom	1 120A to life a	an Anzona consolidated return.			
В	Is this the corpora	ation's final A	rizona return? Yes X No			
	If yes, check one				(66)	'
,	List FEIN of the s	uccessor corp	poration if any	Check Box If:	1.3	
	_			Federal extension used t	o file re	turn 82 F
			Arizona Taxable Income Computation			
1	Tavable income		I federal return		1	0.
2		•	from page 2, Schedule A, line A12			0.
3			es 1 and 2			0.
4			me – from page 2, Schedule B, line B12			0.
5			e 4 from line 3			0.
6	•		s carryforward — attach computation schedule			
7	Arizona taxable ir	ncome - sub	ract line 6 from line 5		7	0.
			Arizona Tax Liability Computation			
8	Enter tay Tay is	6 968 narcant	of line 7 or fifty dollars (\$50), whichever is greater		8	50.
9			ts - from Form 300, Part II, line 26.			50.
10	-				10	50.
11			uction. Check this box to send \$5 to the fund and reduce th			
11			int of the tax reduction		11	5.
			om Form 300, Part II, line 50		12	
13	Credit type - enter fo	orm number for ea	ch nonrefundable credit claimed	3 3		
14	Tax liability - sul	btract the sun	of lines 11 and 12 from line 10		14	45.
15	Clean Elections F	und Tax Cred	it. See instructions before completing this line		15	
16	Tax liability after	Clean Election	ns Fund Tax Credit - subtract line 15 from line 14	<u> </u>	16	45.
			Tax Payments			
17	Refundable tax cr	redits – see ii	nstructions			
18	Credit type - enter fo	erm number for ea	ch refundable credit claimed	3 3		
19	Extension payme	nt made with	Form 120EXT. See instructions]	
20	Estimated tax pay	yments – <i>see</i>	instructions	1		
21	Total payments -	- see instructi	on <u>s</u>		21	0.
		Co	omputation of Total Due or Overpayment			
22	Balance of tax du		is larger than line 21, enter balance of tax due. Skip line 23	3	22	45.
23			is larger than line 16, enter overpayment of tax		23	
24	Penalty and intere		,		24	
25	Estimated tax und	derpayment p	enalty — <i>if Form 220 is attached, check box</i>		25	
26	Donation to Citize	ns Clean Elec	tions Fund – see instructions		26	
27	Total Due - payn	nent must acc	ompany return		27	45.
28	Overpayment - s	see instruction	ıs		28	
29	Amount of line 28	to be applied	to 2003 estimated tax			
30	Amount to be refu	unded subt	act line 29 from line 28		30	

Form	1 20A (200	2) Tacna Water Mana	gement Company 2	20-5811082	Page 2		
Sch	edule A	 Additions to Taxable 	Income				
A 1	Federal bo	onus depreciation allowed unde	er IRC Section 168(k) — see .	instructions	A1		
A2	Federal in	come tax refunds received in t	ne taxable year – <i>see instruc</i> t	tions	A2		
A3	Taxes bas	ed on income paid to any state	e (including Arizona), local go	vernments or foreign governments.	АЗ		
A4	Interest or	n obligations of other states, fo	reign countries, or political sul	bdivisions	A4		
A5	Special de	eductions claimed on federal re	turn		A5		
Α6	Federal ne	et operating loss deduction clai	med on federal return		A6		
Α7	Commissions	and other expenses paid or accrued to	a Domestic International Sales Corpor	ration (DISC)	A7		
8 A	Capital inv	estment by qualified defense of	contractor - attach schedule		A8		
Α9	Claim of r	ight adjustments <i>– attach sche</i>	dule	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	A9		
A10	Additions	related to Arizona tax credits -	- attach schedule	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
A11	Other add	itions to federal taxable income	e — attach schedule		A11		
A12	Total – ad	dd lines A1 through A11. Enter	total here and on page 1, line	2	A12		
Sch		 Subtractions From Ta 					
B1		•	·	nstructions			
B2	-			ble year — see instructions			
B3			•	S			
B4	~						
B5							
B6							
B7							
B8	-						
B9							
		- •					
B12	Total — ad	dd lines B1 through B11. Enter	total here and on page 1, line	4	B12		
Sch	edule C	- Additional Informatio	n				
		ness began in Arizona $1/0$					
		t which tax records are located					
UZ.	Corpor		Tor addit purposes.				
C 3	The taxpa disclosure	yer designates the individual list of confidential information to t	sted below as the person to co	ontact to schedule an audit of this res)	eturn and authorizes the		
		ıtitle Donald W. Kella	ımber 928-341-9885				
C4	List prior t	axable years for which a feder	al examination has been finalized	zed			
or.	cover to the	ne Arizona Department of Reve	nue or to file amended return:	er final determination, to report the s reporting these changes. (see inst 20A, line 7)	tructions)		
		ax accounting method: Cash		(Specify method)	None		
CU	mulcate te	ix accounting method. Oddin	A recruir outer of	(opeciny method)			
Certi	fication	The following certification other principal officer).	must be signed by one or mo	ore of the following officers (preside	nt, treasurer, or any		
		examined this return, inc	luding the accompanying sche and complete return, made it	cer(s) authorized to sign this return, edules and statements, and to the bin good faith, for the taxable year sta	est of my (our) knowledge and		
Pleas				President			
Sign		Officer's signature	· · · · · · · · · · · · · · · · · · ·	Title	Date		
Here	!	Officer 5 Signature		1	1		
		Officer's signature		I Title	l Date		
Paid							
Prep	arer's	Jeffrey B. Polston	1				
Use	Only	Preparer's signature	-	Date			
		Misenhimer Aivar	ian & Tennant, P.C.	l۵	6-0920831		
		PO Box 5693	Lan a romano, r.o.		eparer's TIN		
		Yuma, AZ		85366-5693			
		Firm's name (or preparer's, if self-em	ployed) and address		ZIP code		

2002	Federal Income Tax Summary	Page 1
	Tacna Water Management Company	20-5811082
INCOME Gross receipts less Gross Profit	returns/allowance	27,999 27,999
Total income		27,999
DEDUCTIONS Other deductions		27,999
Total deductions		27,999
TAXABLE INCOME		
Taxable income		0
TAX COMPUTATION Income tax	······································	0
Total tax		0
PAYMENTS AND CREDITS		
Total payments and o	credits	0
REFUND OR AMOUNT DUE Overpayment	<u></u>	0
Tax due		0
SCHEDULE L Beginning Assets Beginning Liabilitie	es & Equity.	500 500
Ending Assets Ending Liabilities &	§ Equity	0
TAX RATES Marginal tax rate		0.0%

20	^	1
ZU	u	Z

Federal Balance Sheet Summary

Page 1

Tacna Water Management Company

20-5811082

ENDING ASSETS
Total Assets
ENDING LIABILITIES & EQUITY
Total Liabilities and Equity

2002	Arizona Income Tax Summary	Page 1
	Tacna Water Management Company	20-5811082
FEDERAL INCOME Federal taxable inc	come	0
ADDITIONS Total additions		0
SUBTRACTIONS Total subtractions		0
Adjusted income		0
ARIZONA TAXABLE INCO	PME come	0
	nd reduction	50 5 45
		45 45
Overpayment		0
Refunded		0
TAX RATES Marginal tax rate		6.968%

2002

General Information

Page 1

Tacna Water Management Company

20-5811082

Forms needed for this return

Federal: 1120-A, 4562 Arizona: 120A

Tax Rates

Federal Arizona Marginal Effective

0% 6.968% 0% 0%

Carryovers to 2003

None

MISENHIMER, AIVAZIAN & TENNANT, P.C. PO BOX 5693 YUMA, AZ 85366-5693 (928) 314-1488

December 18, 2006

Tacna Water Management Company 2993 S. Arizona Avenue Yuma, AZ 85364

Dear Client:

Enclosed is your 2003 Federal Corporation Income Tax Return. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail the Federal return on or before March 15, 2004 to:

INTERNAL REVENUE SERVICE OGDEN, UT 84201-0012

Enclosed is your 2003 Arizona Corporation Income Tax Return. The original should be signed at the bottom of page two. There is a balance of \$45 payable by April 15, 2004. Mail the Arizona return on or before April 15, 2004 and make check payable to:

ARIZONA DEPARTMENT OF REVENUE P. O. BOX 29079 PHOENIX, AZ 85038-9079

Please be sure to call if you have any questions.

Sincerely,

Jeffrey B. Polston

Form 1120-A

Department of the Treasury Internal Revenue Service

U.S. Corporation Short-Form Income Tax Return

For calendar year 2003 or tax year beginning

, 2003, ending

See separate instructions to make sure the corporation qualifies to file Form 1120-A.

OMB No. 1545-0890

2003

Α	Check	k this box									B Er	nployer ID number
	if the	corporation	Use IRS								2	0-5811082
		ersonal ser-	label.	Tacna V	Nater Mai	nagement	Compan	V			C Da	ite incorporated
		corporation efined in	Otherwise,			a Avenue	<u>-</u>	_				1/01/2002
	Řegul	lations	print or type.		AZ 85364						D To	tal assets (see instructions)
		n 1.441-3(c) -	type.									,
		nstructions)	L	<u> </u>							\dashv	0
		k applicable boxe		Initial r				3)	Address cha	nge	\$	0.
F	Check	k method of acco	unting: (1)	X Cash		crual (3		r (spe	ecify) 🟲			
	1	a Gross receipts or s	ales	22,	862. b Les	s returns & allowa	ances		c	: Balance 🟲	1 c	22,862.
	2	Cost of goods	sold (see in:	structions).							2	
	3	Gross profit. S	ubtract line	2 from line	1c	<i></i>					3	22,862.
Ţ	4	•									4	
N C	5	•									5	
0	6	Gross rents									6	
M	7										7	
E	8										8	
	9	, ,	-								9	·
	10										10	· · · · · · · · · · · · · · · · · · ·
	11										11	22,862.
	 	Componention	of officers (coo instruct	ione)						12	LL, OOL.
D	0 43	•									13	
_	Ř 13										14	
D	니 14										15	
r	M 15										-	· · · · · · · · · · · · · · · · · · ·
	16										16	
0	A 17 T 18										17	
	വ										18	
S	ดี เล										19	
	20		attach Form	4562)			• • • • • • • • •	20				
S E E	O 21		ion claimed	elsewhere o	on return			21	a	4	21 b	22.062
1	D 22								Statement.		22	22,862.
N S T	E 23			_							23	22,862.
Ť	N 24									n line 11	24	0.
Ŕ	25											
											25 c	
	26										26	0.
Ţ	27	Total tax (from	page 2, Pa	rt I, line 6) .							27	0.
X	28	Payments:										
	İ	a 2002 overpayn	nent credited	to 2003	28 a							
A N	- 1	b 2003 estimated			28 b							
Ď		c Less 2003 refund a			28 c		dBal►	28	d	0.		
_		e Tax deposited					<u></u>	28	e			
P A		f Credit for tax										
Ŷ		g Credit for Fede										
M	- 1	h Total payment		-	•				* · · · · · · · · · · · · · · · · · · ·		28 h	0.
E. N	29										29	## ## * * * * * * * * * * * * * * * * *
Т	30								ed		30	0.
S	31								t overpaid		31	
	32									efunded ►	32	
								lules ar				edge and belief, it is true,
Sig	ın	correct, and complet	e. Declaration o	f preparer (other	r than taxpayer)	moreover 12th ANC .			reparer has any kno	wledge.		e IRS discuss this return
He		 >				(D)\V	Preside	ent			with th	e preparer shown below
		Signature of off	er,				Title				(see in	strs)? X Yes No
		Preparer's	Charles Proposed the party	CONTRACTOR OF THE PARTY OF THE			Date			Р	reparer's S	SSN or PTIN
ъ.,		ereparers signature	•						Check if self-employed	P	00547	445
Pai Pre	d parer'	's Firm's name	Misen	himer.	Aivazian	& Tennai	nt, P.C	· • '	•	EIN		920831
	Only	 (or yours if self-employed), 		x 5693								
		address, and ZIP code		AZ 853	66-5693					Phone no.	(928)	314-1488

	1120-A (2003) Tacna Water Manage			20-5811082			Page 2
Par							
1	Income tax. If the corporation is a qualified personal serv	ice corporation (see instru	uctions),), check here	▶ ∐	1	0.
28	General business credit. Check box(es) and i	ndicate which forms	are a	ittached.			
	Form 3800 Form(s) (specify)			2a			
Ŀ	Credit for prior year minimum tax (attach For	m 8827)		2b			
3	Total credits. Add lines 2a and 2b					3	
4	Subtract line 3 from line 1					4	
	Other taxes. Check if from Form 4					-	
5						_	
	Other (attach schedule)					5	
	Total tax. Add lines 4 and 5. Enter here and o					6	0.
Par	II Other Information (see instruction						
1	Refer to the instructions and enter the:				ered on line 2, page 1,	enter f	rom worksheet
	Business activity code no. ► 221000			the instructions:			
t	Business activity Sales - Water				,		
	W 1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2		(2) Additional 263A			
					e)		
2	At the end of the tax year, did any individual, partnership, own, directly or indirectly, 50% or more of the corporatio	, estate, or trust			sch)		
			b If p	property is produced o	r acquired for resale, do the r the corporation?	ules	N/A Yes No
	(For rules of attribution, see Section 267(c).)	Yes ∐No					
	If 'Yes,' attach a schedule showing name and	t	6 At	any time during the 20	003 calendar year, did the cor uthority over a financial acco	poration int (sucl	nave an interest in as a bank account
	identifying number. See Statement	. 2			her financial account) in a for		
3	Enter the amount of tax-exempt interest rece	ived or accrued		,	may have to file Form TD F 90	-	nuy 103 Milito
	during the tax year ▶\$	None			of the foreign country	1-22.1	
					al receipts (line 1a plus lines	<u></u>	n nago 1) for the tay year
4	Enter total amount of cash distributions and to value of property distributions (other than cash				arreceipts (fine ra plus fines le end of the tax year less thar		
					•		
10000000	during the tax year	None_	11	res, the corporation i	is not required to complete Pa	its iii ai	
Par					(a) Beginning of tax year		(b) End of tax year
	1 Cash						
	2a Trade notes and accounts receivable						
	b Less allowance for bad debts						
	3 Inventories						
Α	4 U.S. government obligations						_
S	5 Tax-exempt securities (see instructions).		<i></i>				
S S E	6 Other current assets (attach schedule)	. , , , , , , , , , , , , , , , , , , ,	. <i>.</i>				
T	7 Loans to shareholders						
S	8 Mortgage and real estate loans	,					
Ì	9a Depreciable, depletable, and intangible a	ssets					
	b Less accumulated depreciation, depletion	n, and amortization .					
	10 Land (net of any amortization)	·	,				
	11 Other assets (attach schedule)						
į	12 Total assets						
	13 Accounts payable					 	
S H	14 Other current liabilities (attach schedule).						
LA	15 Loans from shareholders						
I R A E B H	16 Mortgages, notes, bonds payable						
Į į							
ΙĎ							
TE	18 Capital stock (preferred and common sto						
E S'	19 Additional paid-in capital						
Ε	20 Retained earnings						
N Ú	21 Adjustments to shareholders' equity (atta						<u> </u>
D	22 Less cost of treasury stock						
Υ	23 Total liabilities and shareholders' equity.						
Par	LIV Reconciliation of Income (Lo	ss) per Books					
1	Net income (loss) per books		0.	6 Income recorded	on books this year not includ	ed on	
2	Federal income tax per books			this return (itemi	ze)		
3 Excess of capital losses over capital gains. 7 Deductions on this return not charged against book							
4	Income subject to tax not recorded on books this				ze)		
7			*****), (- /		
r	year (itemize)				page 1). Enter the sum of line		
5	expenses recorded on books this year not deducted		******		page 1). Enter the sum of fine e sum of lines 6 and 7	۱ د.	0
	on the teller (tremize)	i		manual a lace the	e anno de unes o ano 7		

Form 4562

Depreciation and Amortization (Including Information on Listed Property)

See separate instructions.
 Attach to your tax return.

OMB No. 1545-0172

2003

67

Department of the Treasury Internal Revenue Service

Tacna Water Management Company

Identifying number 20-5811082

Business or activity to which this form relates Form 1120 **Election To Expense Certain Property Under Section 179** Part I Note: If you have any listed property, complete Part V before you complete Part I. \$100,000. 1 1 Maximum amount. See instructions for a higher limit for certain businesses..... 2 3 \$400,000. Threshold cost of section 179 property before reduction in limitation..... 4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions..... (b) Cost (business use only) 6 (a) Description of property 7 Listed property. Enter the amount from line 29..... 8 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7..... 9 10 Carryover of disallowed deduction from line 13 of your 2002 Form 4562..... 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)... 11 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11..... Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) Special depreciation allowance for qualified property (other than listed property) placed in service during the 14 tax year (see instructions)..... 15 Property subject to section 168(f)(1) election (see instructions)..... 16 Other depreciation (including ACRS) (see instructions)... MACRS Depreciation (Do not include listed property.) (See instructions) Section A 17 MACRS deductions for assets placed in service in tax years beginning before 2003..... If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here..... Section B — Assets Placed in Service During 2003 Tax Year Using the General Depreciation System (c) Basis for depreciation (f) Method (g) Depreciation (b) Month and (d) (e) (a) (business/investment use only — see instructions) deduction Classification of property year placed in service 19a 3-year property...... c 7-year property d 10-year property. e 15-year property. f 20-year property S/L 25 yrs g 25-year property. 27.5 yrs MM S/L h Residential rental MM S/L 27.5 yrs property..... MM S/L 39 yrs i Nonresidential real MM S/L property..... Section C — Assets Placed in Service During 2003 Tax Year Using the Alternative Depreciation System S/L **20 a** Class life..... S/L 12 yrs MM S/L 40 yrs Part IV Summary (see instructions) 21 Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines For assets shown above and placed in service during the current year, enter 23 the portion of the basis attributable to section 263A costs ...

2003 **Federal Statements** Page 1 **Tacna Water Management Company** 20-5811082 Statement 1 Form 1120-A, Line 22 Other Deductions 22,862. 22,862.

Statement 2 Form 1120-A, Part II, Question 2 50% or More Owners

Name : Donald W. Kelland ID Number : 526-44-5368 Percentage Owned : 100.00%

AR	ZONA FORM			-			ax Return	•		n)			<u> 2003</u>
	120A						, and ending $\underline{1}$				-	HECK ONE:	!
			il to: Ariz	T	rtment of Rev	venue, PO E	3ox 29079, Pho€	enix AZ 8	5038-907	9 Calend		ar X Fisc	
Busir	ess telephone numb	er	·	Name							1	al employer ID n	umber (FEIN)
			Please				nt Company	•				5811082	
	<u>3-341-9885</u>		Type		d street or PO Bo						AZ WIT	hholding tax nur	mber
(from	ess activity code nui federal Form 1120)	mber	or Print		S. Arizo		ue				A7 tra	nsaction privileg	o tov numbar
			1 1311	1							AZ tra	nsaction privileg	je tax number
22.	L000		<u> </u>	Yuma,	AZ 8536	4					L		
(68)	Check box if:	Thi	s is a firs	t return	Name c	hange	Address chang	je		FOR DOF	USE	ONLY	
								l					
Α	Is FEDERAL re	eturn fil	ed on a d	consolidat	ed basis?	Пу	es X No						
	If yes, list FEIN of												
								-					
					IA consolidate a consolidate		axpayers canno	^{)t}					
	usero	71111 120	A to life t	an Anzon	a consolidate	u return.							
В	Is this the corp	oration	n's final A	RIZONA r	eturn?	\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	es X No	-					
				ferromany.			Reorganized	(81)			(66)		
	List FEIN of the	e succe	ssor corp	poration, i	f any			(82)	CHECK	BOX IF:			
								(02)	Federal	extension us	ed to f	ile return.	82 F
				Arizon:	a Tayahle	Income (Computation						
1	Tayable incom	ie – ne	r attached								1		0.
2							<i>3</i>						
3													0.
4							ine B13						
5											5		0.
6	Arizona basis i										6		
7											7		0.
				Arizo	na Tay Lis	ahility Co	mputation						
0	Enter toy Tay	ic 6 06	Q norcont			-	chever is greate	.			8		50.
8 9			-		-		25						30.
10	•	•									10		50.
											1.5		
11	Clean Election (line 10) by \$5	is Fund 5. Enter	the amo	uction. Cr. unt of the	теск tnis box tax reductior	to sena \$5 า	to the fund and	reauce tr	ne tax	11 A X	11		5.
12	Nonrefundable	tax cr	edits – <i>fr</i>	om Form	300, Part II,	line 48					12		
13	Credit type — ente	er form n	umber for ea	ach nonrefun	dable credit clai	med	13 3	3	3	[3			
14											14		45.
15	Clean Election	s Fund	Tax Cred	dit. SEE II	NSTRUCTION	IS BEFORE	COMPLETING	THIS LIN	E		15		
16	Tax liability aft	er Clea	n Electio	ns Fund t	ax credit – s	ubtract line	15 from line 14				16		45.
					Tay F	Payments							
17	Refundable tax	x credit	s – see i	instruction			-	. 17			1		
18	Credit type — ente					_{I.}	18 3	3	3	3	1		
19										······································	1		
20]		
21	Total payment	s – <i>se</i>	e instruct	ions							21		0.
			C.	omnuta	tion of To	tal Dua o	r Overpayme	ant					
າາ	Ralance of tov	- מעם					nce of tax due. S		23		22		45.
22 23				-			rpayment of tax				23		30.
24	Penalty and in			-							24		
25	-						check box				25		
26										•	26		
27											27		45.
28											28		
29												· · · · · · · · · · · · · · · · · · ·	
30	Amount to be										30		

12/31/03			2003		eral I	Jepre	Federal Depreciation Schedule	Sche	qule					Page 1
				Tacn	a Water	Manag	Tacna Water Management Company	ompany						20-5811082
No. Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pet	Cur 179 Bonus	Special Depr. Allow	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn	Depr. Basis	Prior Dept.	Method	Life_Rate_	Current Dept.
1120														
Machinery and Equipment														
1 Utility Plant	1/01/91	·	121,057	•			121,057			0		200DB HY	7	0
Total Machinery and Equipment			121,057		0	0	121,057	0	0	0		0		0
Total Depreciation			121,057	, "	0	0	121,057	0	0	0		! O		0
Grand Total Depreciation		-	121,057	"	0	0	121,057	0	0	0		0		0

2003	Federal Income T	ax Summary		Page 1
	Tacna Water Managen	nent Company		20-5811082
		2003	2002	Diff
INCOME Gross receipts less ret Gross Profit	urns/allowance	22,862 22,862	27,999 27,999	-5,137 -5,137
Total income		22,862	27,999	-5,137
DEDUCTIONS Other deductions		22,862	27,999	-5,137
Total deductions	• • • • • • • • • • • • • • • • • • • •	22,862	27,999	-5,137
TAXABLE INCOME				
Taxable income		0	0	0
TAX COMPUTATION Income tax		0	0	0
Total tax		. 0	0	0
PAYMENTS AND CREDITS				
Total payments and cred	its	0	0	0
REFUND OR AMOUNT DUE Overpayment		0	0	0
Tax due		0	0	0
SCHEDULE L Beginning Assets Beginning Liabilities &	Equity	0 0	500 500	-500 -500
Ending Assets Ending Liabilities & Eq		0 0	0 0	0 0
TAX RATES Marginal tax rate		0.0%	0.0%	0.0%

Federal Balance Sheet Summary

Page 1

Tacna Water Management Company

20-5811082

ENDING ASSETS	
Total Assets	
ENDING LIABILITIES & EQUITY	
Total Liabilities and Equity	

2003	Arizona Income Ta	x Summary		Page 1
	Tacna Water Managem	ent Company		20-5811082
		2003	2002	Diff
FEDERAL INCOME Federal taxable income.		0	0	0
ADDITIONS Total additions		0	0	0
SUBTRACTIONS Total subtractions		0	0	0
Adjusted income		0	0	0
ARIZONA TAXABLE INCOME Arizona taxable income		0	0	0
TAX AND CREDITS Tax Clean elections fund re Tax liability	eduction	50 5 45	50 5 45	0 0 0
REFUND OR TAX DUE Balance of tax due Total due		45 45	45 45	0
Overpayment		0	0	0
Refunded		0	0	0
TAX RATES Marginal tax rate		6.968%	6.968%	0.000%

Copidentiste Warm (add. 1951. Chert.) The Material Copide Control Control Color

MISENHIMER, AIVAZIAN & TENNANT, P.C. PO BOX 5693 YUMA, AZ 85366-5693 (928) 314-1488

December 18, 2006

Tacna Water Management Company 2993 S. Arizona Avenue Yuma, AZ 85364

Dear Client:

Enclosed is your 2004 Federal Corporation Income Tax Return. The original should be signed at the bottom of page one. No tax is payable with the filing of this return. Mail the Federal return on or before March 15, 2005 to:

INTERNAL REVENUE SERVICE OGDEN, UT 84201-0012

Enclosed is your 2004 Arizona Corporation Income Tax Return. The original should be signed at the bottom of page two. There is a balance of \$45 payable by April 15, 2005. Mail the Arizona return on or before April 15, 2005 and make check payable to:

ARIZONA DEPARTMENT OF REVENUE P. O. BOX 29079 PHOENIX, AZ 85038-9079

Please be sure to call if you have any questions.

Sincerely,

Jeffrey B. Polston

Form 1120-A

Department of the Treasury Internal Revenue Service

U.S. Corporation Short-Form Income Tax Return

For calendar year 2004 or tax year beginning

, 2004, ending

See separate instructions to make sure the corporation qualifies to file Form 1120-A.

OMB No. 1545-0890

2004

												B	Employer ID number	•
A C	heck	this box if	Use IRS										20-5811082	2
		rporation is	label.	Tacna 1	Water	Manageme	nt Comp	oany				C	Date incorporated	
		sonal service	Otherwise,	2993 S	. Ari	.zona Áven	ue -	. 4				ł	1/01/2002	2
		ration (see ctions)	print or type.	Yuma,								D	Total assets (see ins	
13	isti ut	Citions)	type.	,										
E C	haak	:if. (1)	Initial rat	turn (2)	Fina	I return (3)	Nioman		<u> </u>			٦,		0
		if: (1) method of accou		turn (2)			Name		(4)		ress chang	e 💲		0.
<u> </u>						Accrual		Other (spe	ecity).			1 - 1		01.6
		a Gross receipts or sa				b Less returns &					c Balance 🟲		21,	916.
	2	- 3										2		
	3	- •										3	27,	916.
Ń	4											4		
С	5											5		
O M	6	Gross rents										6		
Ë	7	Gross royalties										7		
_	8	Capital gain ne	t income (at	tach Sched	lule D (F	Form 1120))						8		
	9	Net gain or (los	s) from Fori	m 4797, Pa	rt II, line	e 17 (attach Fo	rm 4797)					9		
	10											10		
	11											11	27.	916.
D	12											12	· · · · · · · · ·	
D O	13	Salaries and w	ages (less e	mployment	credits)						13		
DL	14											14		
υī	15	•										15		
Ç M	16											16		
Τή	17											17		
οT												18		
N o	۱											19		
SNS	20		•			•			1					
S E N	21	- ,										21 6		
Ĕ N	22									mont	1	21 b	27	016
i D	1											22		916.
N E S D	23			_								23		916.
N D S N R S	24									e 23 fro	m line 11	24		<u>0.</u>
S	25	•	-			7								
	<u> </u>								<u> </u>			25 c		
т	26											26		0.
	27	Total tax (page	2, Part I, lir	ne 5)								27		0.
A X	28	Payments:												
۸	1	a 2003 overpaym	ent credited	to 2004	28 a									
A N	ĺ	b 2004 estimated	tax paymer	nts	28 b									
D		c Less 2004 refund ap	oplied for on Fo	rm 4466	28 c		dBa	al ► 28 (d		0.			
P	Ì	e Tax deposited v	with Form 70	004	. ,			28	е					
		f Credit for tax pa	aid on undis	tributed cap	oital gai	ns (attach Forn	n 2439)	281						
A Y		g Credit for Fede	ral tax on fu	els (attach	Form 4	136). See instru	ictions	28	g					
M		h Total payments	. Add lines 2	28d through	ı 28g	· · · · · · · · · · · · · · · · · · ·						28 h		0.
E N	29	Estimated tax p	enalty (see	instructions	s). Chec	k if Form 2220	is attached	, b			▶ 🗍	29		
Т	30	Tax due. If line	28h is small	ler than the	total of	lines 27 and 2	9, enter an	nount ow	ed		·	30		0.
S	31	Overpayment.										31		
	32	Enter amount of	f line 31 you	u want: Cre	dited to	2005 estimate	d tax ►		·	R	efunded ►	32		
		Under penalties of per correct, and complete	rjury, I declare t	hat I have exar	nined this	return-including ac	companying s	chedules an	d staten	nents, and	to the best of	my know	vledge and belief, it i	s true,
Sign	า	correct, and complete	Veclaration of	preparer (othe	rthansax	payer) is based on a	L .		eparer h	as any kn	owledge.	May t	he IRS discuss this i	oturn
Here	∍	·	كاللحالو		V		Pres	<u>ident</u>			, <u> </u>	with t	he preparer shown b	elow
		Signature of office	er		Date		Title					(see i	nstrs)? X Yes	No
		Preparer's					Date				Pr	eparer's	SSN or PTIN	
Paid		signature	•				12/1	8/06	Check if self-emp	oloyed	🗍 P	0054	7445	
Prepare	arer's	s Firm's name	Misenh	imer.	livaz	ian & Ten		.c.			EIN		920831	
Use		(or yours if self-employed),	PO Box								1			
		address, and ZIP code		AZ 8536	56-56	93					Dhar	(020) 314-148	D.
			<u> - uma , </u>			- J					Phone no.	1240	/ OT4 T40	,

	n 1120-A (2004) Tacna Water Management Company 20-5811082		Page 2
Par	Tax Computation (see instructions)		,
1	Income tax. If the corporation is a qualified personal service corporation (see instructions), check here	1	0.
2	General business credit. Check box(es) and indicate which forms are attached.		
	Form 3800 Form(s) (specify)	2	
3	Subtract line 2 from line 1.	3	
4	Other taxes. Check if from Form 4255 Form 8611 Form 8697 Form 8866		
	Other (attach schedule)	4	
5	Total tax. Add lines 3 and 4. Enter here and on page 1, line 27.	5	0.
	TII Other Information (see instructions)		
1	Refer to the instructions and enter the: 5a If an amount is entered on page 1, line 2, 6	enter	from worksheet
	a Business activity code no. ► 221000 in the instructions:		
	(1) Purchases		
	Product or convice > Water (2) Additional 200A COSIS		
	(attach schedule)		
2	At the end of the tax year, did any individual, partnership, estate, or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (3) Other costs (attach sch)		
		ıles	N/A Yes No
	(· · · · · · · · · · · · · · · · · · ·		ليسا السا
	or a signature or other outbarity over a financial account	nt (suc	h as a bank account,
	identifying number. See Statement 2 securities account, or other financial account) in a form	-	
3	Enter the amount of tax-exempt interest received or accrued If 'Yes.' the corporation may have to file Form TD F 90	-	, , ,
	during the tax year		
4	Enter total amount of cash distributions and the book 7 Are the corporation's total receipts (line 1a plus lines	4 - 10 c	on page 1) for the tax year
-	value of property distributions (other than cash) made and its total assets at the end of the tax year less than	\$250,0	000?XYes No
	during the tax year ▶\$ None If 'Yes,' the corporation is not required to complete Par	rts III a	nd IV below.
Par	III Balance Sheets per Books (a) Beginning of tax year		(b) End of tax year
	1 Cash		
	2a Trade notes and accounts receivable		
	b Less allowance for bad debts		
	3 Inventories		
Α	4 U,S. government obligations.		
A S E T	5 Tax-exempt securities (see instructions)		
E	6 Other current assets (attach schedule)		
	7 Loans to shareholders		
S	8 Mortgage and real estate loans		
	9a Depreciable, depletable, and intangible assets		
	b Less accumulated depreciation, depletion, and amortization		
	10 Land (net of any amortization)		
	11 Other assets (attach schedule)		
	12 Total assets		
S	13 Accounts payable		
LA	14 Other current liabilities (attach schedule)		
AREHOLDERS -	15 Loans from shareholders.		
l o	16 Mortgages, notes, bonds payable		
15	17 Other liabilities (attach schedule)		
T E	18 Capital stock (preferred and common stock)		
E S'	19 Additional paid-in capital		
Εſ			
A Q D D	21 Adjustments to shareholders' equity (attach sch)		
t t	22 Less cost of treasury stock		
Par	23 Total liabilities and shareholders' equity.		

1	Net income (loss) per books		
2	Federal income tax per books this return (itemize)		
3	Excess of capital losses over capital gains Deductions on this return not charged against b	ook	
4	Income subject to tax not recorded on books this inc this yr (itemize).		
	year (itemize)	7	
5	Expenses recorded on books this year not deducted 8 Income (page 1, line 24). Enter the sum of lines	1	
	on this return (itemize)		0.

Form **4562**

Department of the Treasury Internal Revenue Service Name(s) shown on return

Depreciation and Amortization (Including Information on Listed Property)

See separate instructions.Attach to your tax return.

OMB No. 1545-0172

2004

67

Identifying number

20-5811082 Tacna Water Management Company Business or activity to which this form relates Form 1120 Election To Expense Certain Property Under Section 179
Note: If you have any listed property, complete Part V before you complete Part I. Part I 1 \$102,000. Maximum amount. See instructions for a higher limit for certain businesses..... 1 2 Total cost of section 179 property placed in service (see instructions)..... \$410,000. 3 Threshold cost of section 179 property before reduction in limitation..... 4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-..... Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions 6 (b) Cost (business use only) (a) Description of property (c) Elected cost Listed property. Enter the amount from line 29..... 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7......... 8 9 Tentative deduction. Enter the smaller of line 5 or line 8 10 10 Carryover of disallowed deduction from line 13 of your 2003 Form 4562..... 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instrs)... 11 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11..... 13 Carryover of disallowed deduction to 2005. Add lines 9 and 10, less line 12 Note: Do not use Part II or Part III below for listed property. Instead, use Part V. Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) Special depreciation allowance for qualified property (other than listed property) placed in service during the 14 15 Other depreciation (including ACRS) (see instructions)...... Part III MACRS Depreciation (Do not include listed property.) (See instructions) Section A 17 If you are electing under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check here..... Section B — Assets Placed in Service During 2004 Tax Year Using the General Depreciation System (a) Classification of property (c) Basis for depreciation (g) Depreciation (b) Month and (f) Method (d) (e) (business/investment use year placed in service deduction 19a 3-year property **b** 5-year property c 7-year property..... d 10-year property e 15-year property . . . f 20-year property.... S/L 25 yrs g 25-year property... 27.5 yrs MM S/L h Residential rental property..... 27.5 yrs MM S/L 39 vrs MM S/L i Nonresidential real property..... MM S/L Section C - Assets Placed in Service During 2004 Tax Year Using the Alternative Depreciation System S/L 20 a Class life...... 12 yrs S/L **c** 40-year..... 40 yrs MM S/L Part IV | Summary (see instructions) 21 21 Listed property. Enter amount from line 28..... Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations — see instructions For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs

Federal Statements

Page 1

Tacna Water Management Company

20-5811082

Statement 1 Form 1120-A, Line 22 Other Deductions

Management Fee.....

27,916. 27,916. Total \$

Statement 2 Form 1120-A, Part II, Question 2 50% or More Owners

Name : Donald W. Kelland ID Number : 526-44-5368 Percentage Owned : 100.00%

AR			Corporation Income Tax Return (Sho	-		2004
	120A For ta:	xable ye:	ar beginning $1/01/2004$, and ending $12/31$	/2004	CHECK ONE	: _
		l to: Ariz	ona Department of Revenue, PO Box 29079, Phoenix AZ	85038-9079 Calend	aryear X Fis	cal year
Busir	ess telephone number		Name		Employer identification	n number (EIN)
			Tacna Water Management Company		20-5811082	
928	3-341-9885	Please Type	Number and street or PO Box		AZ withholding tax nu	ımber
Busir	iess activity code number federal Form 1120)	or	2993 S. Arizona Avenue			
(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	rederar i omi 1120)	Print	City, or town, state, and ZIP Code		AZ transaction privile	ge tax number
223	1000		Yuma, AZ 85364			
(60)	Check box if: This	s is a firs	t return Name change Address change	FOR DOR	USE ONLY	
(00)	CHECK BOX II. IIII	5 15 4 111 5	Treturn Address change	10112011	002 01121	Į
Α	Is FEDERAL return file	ed on a	consolidated basis? Yes X No			ĺ
	If yes, list FIN of common p	arent from	consolidated return			
	•					
			n ARIZONA consolidated return. Taxpayers cannot an Arizona consolidated return.			
В	Is this the corporation	's final A	RIZONA return? Yes X No			ŀ
	If yes, check one:) issolved	Withdrawn Merged/Reorganized (81)	(66)	ļ
	List EIN of the succes	sor corpo	pration, if any	CHECK BOX IF:		
		-	(82	Federal extension use	ed to file return.	82 F
			Asimone Toyoble Income Commutation			
_			Arizona Taxable Income Computation	1		
1	•		d federal return		1	0.
2			from page 2, Schedule A, line A13			
3			nes 1 and 2		3	0.
4			me — from page 2, Schedule B, line B13		4	
5	•		ne 4 from line 3		5	0.
6	· ·	-	ss carryforward – attach computation schedule	}	6	
	Arizona taxable incom	ne – sub	tract line 6 from line 5		7	0.
			Arizona Tax Liability Computation			
8	Enter tax. Tax is 6.968	B percent	of line 7 or fifty dollars (\$50), whichever is greater		8	50.
9		-	its - from Form 300. Part II, line 25		9	
10	Subtotal – add lines &	8 and 9.	· · · · · · · · · · · · · · · · · · ·		10	50.
11						
11	(line 10) by \$5. Enter	the amo	uction. Check this box to send \$5 to the fund and reduce unt of the tax reduction	11 A	11	5.
12	Nonrefundable tax cre	edits – fr	om Form 300, Part II, line 48		12	
13	Credit type — enter form nu	ımber for e	ach nonrefundable credit claimed	3 3 3		
14			n of lines 11 and 12 from line 10		14	45.
15	Clean Elections Fund	Tax Cred	dit. SEE INSTRUCTIONS BEFORE COMPLETING THIS LI	INE	15	
16	Tax liability after Clear	n Electio	ns Fund tax credit – subtract line 15 from line 14		16	45.
			Tay Daymanka			
4-	Datimately 1: 10		Tax Payments			
17			instructions. 17			
18			ach refundable credit claimed	T I		
19	· ·		Form 120EXT. See instructions			
20	, ,		e instructions	J	01	0
21	Total payments — see	Instruct	ions		21	0.
		C	omputation of Total Due or Overpayment			
22	Balance of tax due -	If line 16	is larger than line 21, enter balance of tax due. Skip line	e 23	22	45.
23	Overpayment of tax -	- If line 2	1 is larger than line 16, enter overpayment of tax		23	
24	* *				24	
25	Estimated tax underpa	ayment p	enalty - If Form 220 is attached, check box	25A	25	
26	•		ctions Fund – see instructions	ر ــــــا	26	
27			accompany return		27	45.
28			tions		28	
29			d to 2005 estimated tax			
			tract line 29 from line 28	1	30	

AZ For	m 120A (2004)	Tacna Water Management Company 2	0-5811082	Page 2			
Sch	edule A -	- Additions to Taxable Income					
A1		al depreciation		. A1			
A2	IRC Section	n 179 expense in excess of allowable amount		. A2			
А3	Federal inc	ome tax refunds received in the taxable year — see instructi	ons	A3			
A4	Taxes base	d on income paid to any state (INCLUDING ARIZONA), local	governments or foreign governments.	A4			
Α5	Interest on	obligations of other states, foreign countries, or political sub	divisions	A5			
Α6	•	ductions claimed on federal return		A6			
Α7		operating loss deduction claimed on federal return					
A8		ns and other expenses paid or accrued to a Domestic Intern					
Α9	Capital inve	estment by qualified defense contractor — attach schedule	· · · · · · · · · · · · · · · ·				
	-	ht adjustments — attach schedule					
		elated to Arizona tax credits — attach schedule					
		ions to federal taxable income – attach schedule					
A13	Total — add	d lines A1 through A12. Enter total here and on page 1, line	2	A13			
Sch	edule B -	- Subtractions From Taxable Income					
B1	Recalculate	d Arizona depreciation — see instructions		B1			
B2	Basis adjus	tment for property sold or otherwise disposed of during the	taxable year — see instructions	B2			
B3	Adjustment	for IRC Section 179 expense not allowed		B3			
B4	Dividends r	eceived from 50% or more controlled domestic corporations.		B4			
B5	Foreign div	idend gross-up		B5			
B6	Dividends r	eceived from foreign corporations		B6			
B7	Dividends r	eceived from a DISC		B7			
B8	Interest on	U.S. obligations		B8			
B9		crops charitable contribution					
		stment by qualified defense contractor — attach schedule					
	-	ht adjustments — attach schedule					
		actions from federal taxable income — attach schedule					
B13	Total – add	I lines B1 through B12. Enter total here and on page 1, line	4	B13			
Sch	edule C -	- Additional Information					
C1	Date busine	ess began in Arizona 1/01/2002					
		which tax records are located for audit purposes:					
	Corpora	tion					
C3	The taxpayer designates the individual listed below as the person to contact to schedule an audit of this return and authorizes the disclosure of confidential information to this individual. (See instructions)						
		of confidential information to this individual, (see instructions little Donald W. Kelland, President					
C4		xable years for which a federal examination has been finalize		er <u>928-341-9885</u>			
C4	LIST PHOT to	vable years for which a federal examination has been finalize	eu				
	NOTE: AR	S Section 43-327 requires the taxpayer, within ninety days a	fter final determination, to report these	changes under separate			
	cover to the	Arizona Department of Revenue or to file amended returns	reporting these changes. (See instruct	lions)			
		Arizona taxable income for prior taxable year (2003 Form 12		<u>None</u>			
C6	Indicate tax	accounting method: Cash X Accrual Other	(Specify method)				
Certi	fication	The following certification must be signed by one or moother principal officer).	re of the following officers (president, to	reasurer, or any			
		Under penalties of perjury, I (we), the undersigned officer(s) authorized accompanying schedules and statements, and to the best of my (our) k the taxable year stated pursuant to the income tax laws of the State of	nowledge and belief, it is a true, correct and com-				
D) -		the taxable year stated pursuant to the income tax idws of the State of		1			
Pleas Sign	se	,	President				
Here		Officer's signature	Title	Date			
		0/6	7-11				
		Officer's signature	Title	Date			
			12/18/06				
		Preparer's signature	Date				
Paid		Misenhimer, Aivazian & Tennant, P.C.	86-0	920831			
Prep Use (arer's Only	Firm's name (or preparer's, if self-employed)	Preparei	's TIN			
J36 (Unity	PO Box 5693					
		Yuma, AZ		85366-5693			
		Firm's address		ZIP code			

Acc.	12/31/04		2004 F	2004 Federal Depreciation Sche Tacna Water Management Company	reciation	Schedule mpany		
Pour 120 121,057 1		ł	Cost/ Basis	Cur 179	Prior 179/ Bonus/		Depr.	
Machinery and Equipment 1/01/91 121,057 0 0 121,057 0 0 0 0 121,057 0 0 0 0 0 121,057 0 0 0 0 0 0 0 0 0]
Utility Plant 1/01/91 121,057 121,057 0 0 0 0 0 0 0 0 0	Machinery and Equipment							
Total Machinery and Equipment 121,057 0 0 121,057 0	f	1/01/91	121,057		121,057		.0	200DB H
Total Depreciation 12),057 0 0 12),057 0 <th< td=""><th>Total Machinery and Equipment</th><td></td><td>121,057</td><td>0</td><td></td><td></td><td></td><td>0</td></th<>	Total Machinery and Equipment		121,057	0				0
Grand Total Depreciation 121,057 0 0 121,057 0 0 0	Total Depreciation		121,057	0				0
	Grand Total Depreciation		121,057	0				0

2004 F	ederal Income Ta	ax Summary		Page 1
	Tacna Water Managen	nent Company		20-5811082
		2004	2003	Diff
INCOME Gross receipts less return Gross Profit		27,916 27,916	22,862 22,862	5,054 5,054
Total income		27,916	22,862	5,054
DEDUCTIONS Other deductions		27,916	22,862	5,054
Total deductions		27,916	22,862	5,054
TAXABLE INCOME Taxable income		0	0	0
TAX COMPUTATION Income tax		0	0	0
Total tax		0	0	0
PAYMENTS AND CREDITS Total payments and credits	S	0	0	0
REFUND OR AMOUNT DUE Overpayment		0	0	0
Tax due		0	0	0
SCHEDULE L Beginning Assets Beginning Liabilities & Ed	quity	0 0	0	0
Ending Assets Ending Liabilities & Equit		0 0	0 0	0
TAX RATES Marginal tax rate		0.0%	0.0%	0.0%

Federal Balance Sheet Summary

Page 1

Tacna Water Management Company

20-5811082

	racha water management company
ENDING ASSETS Total Assets	
ENDING LIABILITIES & EQUITY Total Liabilities and Equ	ity

2004 Arizona Income T	Arizona Income Tax Summary		
Tacna Water Management Company		20-5811082	
	2004	2003	Diff
FEDERAL INCOME Federal taxable income	0	0	0
ADDITIONS Total additions	0	0	0
SUBTRACTIONS Total subtractions	0	0	0
Adjusted income	0	0	0
ARIZONA TAXABLE INCOME Arizona taxable income	0	0	0
TAX AND CREDITS Tax Clean elections fund reduction Tax liability	50 5 45	50 5 45	0 0 0
REFUND OR TAX DUE Balance of tax due. Total due.	45 45	45 45	0
Overpayment	0	0	0
Refunded	0	0	0
TAX RATES Marginal tax rate	6.968%	6.968%	0.000%